

A STUDIED JOY

A guide for first-time buyers of a luxury boat.



The growing stature of the Singapore Yacht Show, which held its ninth edition in March, is a clear indication that interest in boat ownership in Singapore and the region is expanding. Yachting pundits rated it highly and *Boat International* listed it as among the top six in the world in 2016.

But owning a big boat is nothing like shopping for a supercar. Malta-based Matty Zadnikar, CEO of Seant Europe, tells *The Peak* that a common refrain among many boat owners is the disappointment in owning one.

He says, "Almost every boat owner in the world has heard of this common refrain, 'When you buy a yacht, you have two moments of joy – when you buy it and when you sell it.' This is because many don't really know what yacht ownership entails." Zadnikar, whose company promotes co-ownership of superyachts, has owned boats

for over 30 years. Together with Daniel Au, Singapore country head at Italian superyacht maker Azimut, they offer a guide for first-time buyers.

Key questions to ask before buying a yacht.

ZADNIKAR: The first thing is to consider whether to buy a sail or motor yacht, because they are completely different types of boats. Next thing to decide is size, because this is related to how you intend to use the boat and the number of guests an owner likes to have when he goes sailing. If he intends to navigate the yacht personally, do his own cooking and cleaning, then a yacht between 35 ft and 50 ft is ideal.

AU: I would recommend starting with a brand-new 60 ft boat, which should cost about \$3 million. Get used to owning one of this size for about two

or three years, during which time a buyer will know what comes with owning a yacht, before deciding if he wants to upgrade to a bigger boat.

Is there expert help that can be sought before deciding what to buy?

ZADNIKAR: Never buy a yacht without the advice of a professional yacht broker. The process of buying a yacht is complex, with a lot of pitfalls. Find a specialist broker with a proven track record on a limited range of yachts. It is like choosing an architect who specialises in the type of house you want to build and has a portfolio you can refer to.

AU: All brands are generally of the same build quality. Brokers will find you anything you want, that's their job. But after deciding what to buy, a first-time owner should

FLUID TURNAROUND
Boats under 60 ft, such as this Benetti B.Now at 50 ft, are easier to sell.

do so through an authorised dealer, who will guide him through the processes and procedures. Anybody can claim to be a broker, as opposed to an authorised dealer.

Should a yacht buyer consider pre-owned?

ZADNIKAR: Never buy a yacht until you have first chartered different types of boats and tested them. Many buyers limit themselves to a sea trial but there is a huge difference between a few hours, a full day of sea trial, and sailing a yacht for a week. It's like buying a car – you get a completely different experience in renting a car for a week than testing it for a few hours.

AU: Pre-owned is definitely cheaper, but these boats won't get the aftersales support that comes with a new yacht. Again, anything under 60 ft is a good start, because it is easier to sell a boat of this size or smaller when a buyer wants to upgrade.

What is the average maintenance cost of a 50 ft and 100 ft yacht, and how often must they be serviced?

ZADNIKAR: For a 95 ft yacht operated and crewed in the Mediterranean, the annual running cost is 500,000 euros (\$766,000). Management costs is 15 per cent on top of that amount.

AU: Servicing is always once a year. In Singapore, berthing for a 50 ft is around \$1,500 per month, and water and electricity is about \$250. If you want to engage external cleaning and maintenance services, it can cost anywhere from \$700 and above.

What are the key features a buyer must pay attention to?

ZADNIKAR: Look and feel are very important but functionality in design, and the durability and maintainability of all the materials are as important. Often this is overlooked. It is like someone you want to marry. It starts with attraction, but the value of a person's character is what determines happiness.

AU: I cannot emphasise enough the importance of buying a yacht that comes with the proper aftersales support from an authorised dealer.

Is it necessary to hire a permanent captain and crew, and what do they cost?

ZADNIKAR: A good professional crew is an absolute must. They define the sailing experience, and keep the yacht in top shape for years. And a happy crew equals a happy owner.

AU: For a 50 ft, a permanent crew can cost between \$35,000 and \$70,000 a year. Anything that is above 70 ft, a permanent crew is recommended because boat maintenance and cleaning is never-ending. A crew of about four is ideal and can cost about \$300,000 a year. Ⓜ